

NOTICE OF RULE MAKING – Proposed Rule #14-02

The Washington State Liquor Control Board would like your input on the attached proposed rule to revise WAC 314-24-070 regarding the return of Washington wine.

This notice can be found at http://www.liq.wa.gov/laws/laws-and-rules under Proposed Rules.

The Liquor Control Board encourages you to give input on these rules.

Public Comment

Please forward your initial comments to the Liquor Control Board by mail, e-mail, or fax by **February 26, 2014.**

By mail: Rules Coordinator By e-mail: By fax:

Liquor Control Board <u>rules@liq.wa.gov</u> 360-360-664-9689

P.O. Box 43080

Olympia, WA 98504-3080

Public February 26, 2014

Hearing: 10:00 a.m.

Washington State Liquor Control Board – Board Room

3000 Pacific Ave. S.E, Olympia, WA

What changes are being proposed?

AMENDATORY SECTION (Amending WSR 12-24-091, filed 12/5/12, effective 1/5/13)

WAC 314-24-070 Domestic wineries-Purchase and use of bulk wines, brandy or wine spirits-Import permit required-Records-Wine returned to Washington. (1) Domestic wineries may purchase and receive under federal bond from any holder of a domestic winery license, holder of the fruit and/or wine distillery license provided in RCW 66.24.140, or out-of-state holder of a federal winery or fruit distillery basic permit, bulk wine, brandy or bulk wine spirits manufactured or produced by such holder, and use the same in the manufacture or production of wines: Provided, That every domestic winery which imports wine, brandy or wine spirits manufactured outside the state of Washington for use as authorized in this section must first be in possession of a permit issued by the board, in accordance with RCW 66.20.010(5) of the Washington State Liquor Act. Applications for such permits must be submitted to the board in writing. Such permits expire at the end of the board's fiscal CR 102 – Notice to Stakeholders 1/15/14

year, and are subject to renewal at that time upon written request and remittance of said annual fee. Wine manufactured or produced from one kind of fruit or berry may not receive wine, brandy or wine spirits manufactured or produced from another kind of fruit or berry. Such brandy or wine spirits so purchased shall be used exclusively and only for the purpose of adding wine spirits to wines. In those cases where the holder of a domestic winery license shall also hold such fruit and/or wine distillery license, then, and in such cases, such domestic winery may use brandy or wine spirits manufactured or produced under such distillery license as a wine spirits addition in the manufacture or production of wine by such holder of the domestic winery license.

(2) Any domestic winery using wine, brandy or wine spirits as provided in subsection (1) of this section, shall make and file with the board, not later than the tenth day of each month upon forms prescribed and furnished by the board, a report showing all transactions of such domestic winery in the purchase and/or use of wine, brandy or wine spirits as provided in said

subsection (1), and shall retain one copy of such report in its own files, and shall keep and preserve for a period of not less than two years any bills of lading or other documents supporting such report. One copy of the bill of lading covering such sale and shipment to a domestic winery is to be forwarded to the board by the shipping winery or fruit distillery, at the time of such shipment.

- (3) A domestic winery may ship Washington wine out of and may return such wine to Washington state for ultimate sale. The following conditions apply:
- (a) The wine is produced $\underline{\text{and bottled}}$ in Washington by a licensed winery.
- (b) The export shall be from the licensed winery and returned to the same entity, a licensed wine distributor or bonded wine warehouse.
- (c) The returned wine must not have been altered in any way, with the exception of sparkling wine.
- (d) A domestic winery ((returning)), a licensed wine distributor, or bonded wine warehouse directly receiving

previously exported Washington wine must comply with tax collection and tracking requirements initiated by the liquor control board.

(e) A domestic winery, a licensed wine distributor, or bonded wine warehouse directly receiving previously exported

Washington wine must keep on file for audit purposes clear source records (shipping documents, etc.) with reporting documents. Records need to indicate what wine was returned to the state that was previously reported as an export (including number of cases and gallons).

[Statutory Authority: RCW 66.08.030. WSR 12-24-091, § 314-24-070, filed 12/5/12, effective 1/5/13. Statutory Authority: RCW 66.08.030 and 66.08.050. WSR 12-17-006, § 314-24-070, filed 8/1/12, effective 9/1/12. Statutory Authority: RCW 66.08.030 and 66.28.320. WSR 10-01-090, § 314-24-070, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030. WSR 86-11-014 (Order 184, Resolution No. 193), § 314-24-070, filed 5/13/86; Order 14, § 314-24-070, filed 12/1/70, effective

1/1/71; Order 5, § 314-24-070, filed 8/7/69, effective 9/8/69; Rule 65, filed 6/13/63.]

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